

**CHAPTER 1213**

**COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL  
DISABILITIES SERVICE FUNDING**

*H.F. 2545*

**AN ACT** relating to county mental health, mental retardation, and developmental disabilities service funding, allocating an appropriation, and providing effective dates.

*Be It Enacted by the General Assembly of the State of Iowa:*

**DIVISION I — INTERFUND TRANSFERS**

Section 1. Section 331.432, Code 1997, is amended to read as follows:

**331.432 INTERFUND TRANSFERS.**

**1.** It is unlawful to make permanent transfers of money between the general fund and the rural services fund.

**2.** Moneys credited to the secondary road fund for the construction and maintenance of secondary roads shall not be transferred.

**3.** Except as authorized in section 331.477, transfers of moneys between the county mental health, mental retardation, and developmental disabilities services fund and any other fund are prohibited.

**4.** Other transfers, including transfers from the debt service fund made in accordance with section 331.430, and transfers from the general or rural services fund to the secondary road fund in accordance with section 331.429, subsection 1, paragraphs "a" and "b", are not effective until authorized by resolution of the board.

**5.** The transfer of inactive funds is subject to section 24.21.

**Sec. 2. EFFECTIVE DATE.** This division of this Act, being deemed of immediate importance, takes effect upon enactment.

**DIVISION II — FY 1999-2000 PROVISIONS**

**Sec. 3. ALLOWED GROWTH ALLOCATIONS.** Moneys appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1999, and ending June 30, 2000, to be used for distribution to counties of the county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment, in accordance with section 331.438, subsection 2, and section 331.439, subsection 3, are allocated as follows:

**1.** For distribution to counties in accordance with the formula provided in section 331.438, subsection 2, paragraph "b", as amended by this Act for FY 1999-2000:

..... \$ 12,000,000

**2.** For deposit in the per capita expenditure target pool created in the property tax relief fund pursuant to this Act:

..... \$ 2,126,362

**3.** For deposit in the incentive and efficiency pool created within the property tax relief fund pursuant to this Act:

..... \$ 2,000,000

**4.** For deposit in the county risk pool created within the property tax relief fund pursuant to this Act:

..... \$ 2,000,000

**Sec. 4.** Section 331.438, subsection 1, Code Supplement 1997, is amended by adding the following new paragraph:

**NEW PARAGRAPH.** aa. "Per capita expenditure" means the amount derived from the sum of a county's expenditures for mental health, mental retardation, and developmental

disabilities services for a fiscal year as reported to the department of human services pursuant to section 331.439, plus the state payment to the county and any payments made under section 426B.5 for that fiscal year, divided by the county's general population for that fiscal year.

Sec. 5. Section 331.438, subsection 2, paragraph b, subparagraphs (1) and (2),\* Code Supplement 1997, are amended to read as follows:

(1) ~~One-half~~ Seventy-five percent based upon the county's proportion of the state's general population.

(2) ~~One-half~~ Twenty-five percent based upon the county's proportion of the sum of the following for the fiscal year which commenced two years prior to the beginning date of the fiscal year in which the allowed growth factor adjustment moneys are distributed:

Sec. 6. Section 405A.4, subsection 2, Code 1997, is amended to read as follows:

2. The allocation of a county as determined under subsection 1 may be credited to the general, rural services, secondary road, or other special revenue fund of the county. The allocation of a county under subsection 1 shall not be credited to the county's mental health, mental retardation, and developmental disabilities services fund.

Sec. 7. Section 426B.2, Code Supplement 1997, is amended by adding the following new subsection:

NEW SUBSECTION. 4. As used in this chapter, and in sections 331.438 and 331.439, "population" means the latest applicable population estimate issued by the federal government.

Sec. 8. NEW SECTION. 426B.5 FUNDING POOLS.

1. PER CAPITA EXPENDITURE TARGET POOL.

a. A per capita expenditure target pool is created in the property tax relief fund. The pool shall consist of the moneys credited to the pool by law.

b. A statewide per capita expenditure target amount is established. The statewide per capita expenditure target amount shall be equal to the seventy-fifth percentile of all county per capita expenditures in the fiscal year beginning July 1, 1997, and ending June 30, 1998.

c. Only a county levying the maximum amount allowed for the county's mental health, mental retardation, and development disabilities services fund under section 331.424A is eligible to receive moneys from the per capita expenditure target pool for a fiscal year. Moneys available in the pool for a fiscal year shall be distributed to those eligible counties whose per capita expenditure in the latest fiscal year for which the actual expenditure information is available, is less than the statewide per capita expenditure target amount.

d. The distribution amount a county receives from the moneys available in the pool shall be determined based upon the county's proportion of the general population of the counties eligible to receive moneys from the pool for that fiscal year. However, a county shall not receive moneys in excess of the amount which would cause the county's per capita expenditure to equal the statewide per capita expenditure target. Moneys credited to the per capita expenditure target pool which remain unobligated or unexpended at the close of a fiscal year shall remain in the pool for distribution in the succeeding fiscal year.

e. The department of human services shall annually calculate the amount of moneys due to eligible counties in accordance with this subsection. The department shall authorize the issuance of warrants payable to the county treasurer for the amounts due and the warrants shall be issued in January.

2. INCENTIVE AND EFFICIENCY POOL.

a. An incentive and efficiency pool is created for making incentive payments to those counties achieving desired results and efficiently providing needed services.

b. The state-county management committee shall propose desired results which are attainable by those counties working to transform the service system to best meet the needs of persons with mental illness, mental retardation, or developmental disabilities in a

\* "subparagraph (1) and subparagraph (2), unnumbered paragraph 1" probably intended

cost-effective manner. The committee shall propose desired results on an annual or other regular basis which will provide for continuous improvement of the service system. In addition, the committee shall identify objective performance measures for the desired results which may include but are not limited to rates of service provision among eligible populations, access to a range of services, movement toward less facility-based services, and medical loss ratio.

c. The desired results and performance measures shall be implemented in a manner that measures a county's progress compared to its prior history for purposes of making incentive and efficiency payments. The desired results and performance measures proposed by the state-county management committee shall be adopted in rule by the mental health and developmental disabilities commission.

d. Moneys shall be distributed from the incentive and efficiency pool to eligible counties based upon a percentage score for the degree of a county's attainment of the desired results and performance measures. The maximum amount which may be distributed to an eligible county is the county's percentage share of the state's general population applied to the amount available for distribution from the pool. The amount actually paid to an eligible county shall be the product of the county's percentage score and the county's maximum amount.

e. Moneys remaining unexpended or unobligated in the pool at the close of a fiscal year shall remain available for distribution in the succeeding fiscal year.

f. The department of human services shall annually calculate the amount of moneys due to an eligible county in accordance with this subsection. The department shall authorize the issuance of warrants payable to the county treasurer for the amounts due and the warrants shall be issued in January.

### 3. RISK POOL.

a. A risk pool is created in the property tax relief fund. The pool shall consist of the moneys credited to the pool by law.

b. A risk pool board is created. The board shall consist of two county supervisors, two county auditors, a member of the state-county management committee created in section 331.438 who was not appointed by the Iowa state association of counties, a member of the county finance committee created in chapter 333A who is not an elected official, and two single entry point process administrators, all appointed by the governor, and one member appointed by the director of human services. All members appointed by the governor shall be subject to confirmation by the senate. Members shall serve for three-year terms. A vacancy shall be filled in the same manner as the original appointment. Expenses and other costs of the risk pool board members representing counties shall be paid by the county of origin. Expenses and other costs of risk pool board members who do not represent counties shall be paid from a source determined by the governor. Staff assistance to the board shall be provided by the department of human services and counties. Actuarial expenses and other direct administrative costs shall be charged to the pool.

c. (1) A county must apply to the board for assistance from the risk pool on or before April 1 to cover an unanticipated cost in excess of the county's current fiscal year budget amount for the county's mental health, mental retardation, and development disabilities services fund. For purposes of applying for risk pool assistance and for repaying unused risk pool assistance, the current fiscal year budget amount shall be deemed to be the higher of either the budget amount in the management plan approved under section 331.439 for the fiscal year in which the application is made or the prior fiscal year's gross expenditures from the services fund.

(2) Basic eligibility for risk pool assistance shall require a projected need in excess of the sum of one hundred five percent of the county's current fiscal year budget amount and any amount of the county's prior fiscal year ending fund balance in excess of twenty-five percent of the county's gross expenditures from the services fund in the prior fiscal year.

(3) The board shall review the fiscal year-end financial records for all counties that are granted risk pool assistance. If the board determines a county's actual need for risk pool assistance was less than the amount of risk pool assistance granted to the county, the county shall refund the difference between the amount of assistance granted and the actual need. The county shall submit the refund within thirty days of receiving notice from the board. Refunds shall be credited to the risk pool.

(4) A county receiving risk pool assistance in a fiscal year in which the county did not levy the maximum amount allowed for the county's mental health, mental retardation, and developmental disabilities services fund under section 331.424A shall be required to repay the risk pool assistance in the succeeding fiscal year. The repayment amount shall be limited to the amount by which the actual amount levied was less than the maximum amount allowed.

(5) The board shall determine application requirements to ensure prudent use of risk pool assistance. The board may accept or reject an application for assistance in whole or in part. The decision of the board is final.

(6) The total amount of risk pool assistance shall be limited to the amount available in the risk pool for a fiscal year. If the total amount of eligible assistance exceeds the amount available in the risk pool the amount of assistance paid shall be prorated among the counties eligible for assistance.

d. A county may apply for preapproval for risk pool assistance based upon an individual who has an unanticipated disability condition with an exceptional cost and the individual is either new to the county's service system or the individual's unanticipated disability condition is new to the individual.

e. The department of human services shall annually calculate the amount of moneys due to eligible counties in accordance with the board's decisions. The department shall authorize the issuance of warrants payable to the county treasurer for the amounts due and the warrants shall be issued before the close of the fiscal year.

#### Sec. 9. EFFECTIVE DATE — APPLICABILITY.

1. The provisions of section 426B.5, subsection 2, as enacted by this Act, directing the state-county management committee to make recommendations and the mental health and developmental disabilities commission to adopt rules, being deemed of immediate importance, take effect upon enactment for purposes of the recommendations and rules and for counties collecting initial information during the fiscal year beginning July 1, 1998. Payments under section 426B.5, subsection 2, shall commence with the fiscal year beginning July 1, 1999. The rules shall be adopted on or before July 1, 1998. The mental health and mental retardation commission\* may adopt emergency rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions of this Act and the rules shall be effective immediately upon filing unless a later date is specified in the rules. Any rules adopted in accordance with this subsection shall also be published as a notice of intended action as provided in section 17A.4.

2. Except as provided in subsection 1, this division of this Act takes effect July 1, 1998, for purposes of creating the risk pool board and completing required planning. This division of this Act is applicable to county budgets prepared and levies certified commencing with the fiscal year beginning July 1, 1999.

#### DIVISION III — FY 2000-2001

Sec. 10. Section 331.438, subsection 2, paragraph b, Code Supplement 1997, as amended by this Act, is amended by striking the paragraph and inserting in lieu thereof the following:

b. A county's portion of the allowed growth factor adjustment appropriation for a fiscal year shall be determined based upon the county's proportion of the state's general population.

Sec. 11. EFFECTIVE DATE — APPLICABILITY. This division of this Act takes effect July 1, 2000, and is applicable to county budgets prepared and levies certified for the fiscal

\* The mental health and developmental disabilities commission probably intended

year beginning July 1, 2000. Prior to July 1, 2000, the counties shall perform those acts necessary for budget preparation and levy certification in order to implement this division of this Act on July 1, 2000.

Approved April 27, 1998

**CHAPTER 1214**

**COMPENSATION FOR PUBLIC EMPLOYEES**

*H.F. 2553*

**AN ACT** relating to the compensation and benefits for public officials and employees, providing for related matters, and making appropriations.

*Be It Enacted by the General Assembly of the State of Iowa:*

**Section 1. STATE COURTS — JUSTICES, JUDGES, AND MAGISTRATES.**

1. The salary rates specified in subsection 2 are for the fiscal year beginning July 1, 1998, effective for the pay period beginning June 26, 1998, and for subsequent fiscal years until otherwise provided by the general assembly. The salaries provided for in this section shall be paid from funds appropriated to the judicial department from the salary adjustment fund or if the appropriation is not sufficient, from the funds appropriated to the judicial department pursuant to any Act of the general assembly.

2. The following annual salary rates shall be paid to the persons holding the judicial positions indicated during the fiscal year beginning July 1, 1998, effective with the pay period beginning June 26, 1998, and for subsequent pay periods.

a. Chief justice of the supreme court:	\$	110,700
.....		
b. Each justice of the supreme court:	\$	106,700
.....		
c. Chief judge of the court of appeals:	\$	106,600
.....		
d. Each associate judge of the court of appeals:	\$	102,600
.....		
e. Each chief judge of a judicial district:	\$	101,700
.....		
f. Each district judge except the chief judge of a judicial district:	\$	97,600
.....		
g. Each district associate judge:	\$	85,000
.....		
h. Each judicial magistrate:	\$	23,100
.....		
i. Each senior judge:	\$	5,600
.....		

**Sec. 2. SALARY RATE LIMITS.** Persons receiving the salary rates established under section 1 of this Act shall not receive any additional salary adjustments provided by this Act.

**Sec. 3. APPOINTED STATE OFFICERS.** The governor shall establish a salary for appointed nonelected persons in the executive branch of state government holding a position enumerated in section 4 of this Act within the range provided, by considering, among other